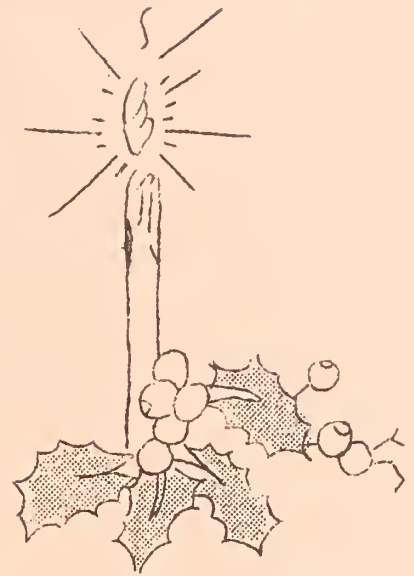
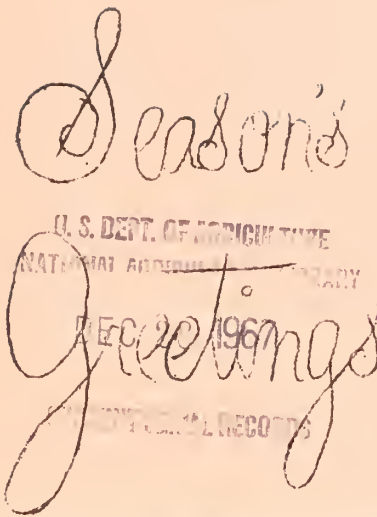
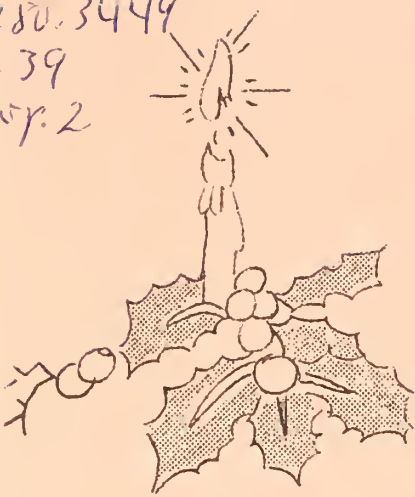


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Volume 12

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
November 1967

Number 4

Released Pursuant to §1090.27(j) and § 1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - NOVEMBER 1967

The Chattanooga Order MINIMUM uniform producer price is \$5.57 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.4 cents for each one-tenth of one percent above or below 3.5% test.

In November 1967, 81.1% of the producer milk received by pool plants was priced in Class I at \$5.98 per cwt. and 18.9% was priced in Class II at \$4.00 per cwt. The November butterfat differential for Class I was 8.7 cents and Class II was 7.6 cents.

Total producer milk received during November 1967 was 17,397,941 pounds which is an increase of 439,924 pounds or 2.6% compared with November 1966. The November daily average deliveries per farm from 549 producers was 1,056 pounds. This compares to 571 farms delivering a daily average of 990 pounds per day during November 1966.

DISCUSSION MEETINGS ON "FILLED MILK"

The U. S. Department of Agriculture will hold regional meetings in December to discuss "filled milk" and similar products now being marketed, and the possible need for holding one or more formal public hearings on the matter early next year.

Filled milk is a product which may contain fresh skim milk, or skim milk reconstituted from nonfat dry milk, with added vegetable fat in place of the natural butterfat.

USDA's Consumer and Marketing Service officials said seven meetings (including Memphis and Louisville) will be held in December to explore in a preliminary way the new conditions that are being presented by the introduction of filled milk in some USDA milk order markets.

There are 74 Federal regulated milk marketing orders in effect across the Nation, which set minimum prices that handlers or dealers pay dairy farmers for fluid milk. The Consumer and Marketing Service has received a number of proposals with respect to the proper classification of dairy ingredients used in filled milk.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Nov. '67 over Nov. '66	Nov. 1967	Oct. 1967	Nov. 1966
Number of Plants (Pool and Non-Pool)		9	9	9
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 2.6	579,931	590,720	565,267
Other Source	+ 78.7	23,005	21,751	12,876
Other Federal Orders	+ 169.1	115,921	105,031	43,082
TOTAL MILK RECEIPTS	+ 15.7	718,857	717,502	621,225
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 1.0	377,923	377,471	373,154
Skim - Regular	+ 12.7	17,667	17,213	15,676
Skim - 2% Milk	+ 59.2	36,683	34,504	23,036
Buttermilk	+ 7.2	40,569	40,696	37,852
Flavored Milk and Drink	+ 9.3	12,733	13,949	11,647
Creams (Sweet and Sour)	+ 18.7	3,096	2,710	2,609
Sub-Total - Pkg. Products (Pool Plants)	+ 5.3	488,671	486,543	463,974
Other (Shrinkage, Inventory, etc.)		136	4,063	1,257
Sales to Non-Pool Plants		64,340	82,825	38,056
In-Area Sales by Non-Pool Plants		1,810	1,738	4,438
TOTAL CLASS I MILK	+ 9.3	554,957	575,169	507,725
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 35.0	40,175	37,045	29,761
Cottage Cheese	+ 13.5	29,451	29,133	25,946
Powdered and Condensed Milk		34,756	7,824	11,525
Livestock Feed and Skim Dumped		6,674	5,410	5,241
Sub-Total - Used to Produce	+ 53.2	111,056	79,412	72,473
Shrinkage Class II		7,402	9,699	9,064
Other (Inventory Variation, etc.)		9,163	8,161	7,964
Bulk Sales to Non-Pool Plants		36,279	45,061	23,999
TOTAL CLASS II MILK	+ 44.4	163,900	142,333	113,500
Class I Pounds in Area - Pool Plants	- 0.4	294,106	299,734	295,292
Class I Pounds Out of Area - Pool Plants	+ 24.5	259,041	273,697	207,995
Class I Pounds in Area - Non-Pool Plants		1,810	1,738	4,438
% Producer Milk of Gross Class I		104.5	102.7	111.3
% Producer Milk Priced in Class I		81.1	83.6	83.9

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per § 1090.51(a) Amended</u>	<u>Dec. '67</u>	<u>Nov. '67</u>	<u>Dec. '66</u>
Basic Formula	\$4.05	\$4.05	\$4.26
Plus Class I Differential <u>1/</u>	1.95	1.95	1.75
Supply-Demand Adjustment	0.14	(0.02)	0.06
Class I Price, 3.5% Butterfat	\$6.14	\$5.98	\$6.07

DECEMBER 1967

Supply-Demand Comparison: 2nd and 3rd preceding months: September and October	
Supply: Lbs. Producer Milk (Sept. 17,874,145 and Oct. 18,312,307)	36,186,452
Demand: Lbs. Net Class I Milk (Sept. 16,143,480 and Oct. 17,776,351)	33,919,831
Utilization Percentage: Producer milk divided by Class I	107
Standard Utilization Percentage: Range 114-118	114
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 7
Supply-Demand Adjustment: 2 cents x 7 percentage points	Plus \$0.14

1/ Increased 20 cents - May 1967 through April 1968.

COMPUTATION OF PRODUCER UNIFORM PRICE

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NOVEMBER 1967	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		16,648,698	3.519		
Less Other Source		2,535,203	3.216		
Producer Milk Class I	81.1	14,113,495	3.573693	\$6.044113	\$ 853,035.59
Gross Class II		4,917,022	5.762		
Less Other Source		1,632,576	3.954		
Producer Milk Class II	18.9	3,284,446	6.660271	6.401806	210,263.86
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	17,397,941	4.156388		1,063,299.45
Add Fractional Adjustment					.04
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		286,261			12,649.10
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,339.00
TOTAL VALUE AT TEST		17,684,202	4.116714	6.131391	1,084,287.59
Less Test over 3.5% @ 8.4¢ per point		17,684,202	.616714	0.518040	91,611.24
TOTAL UTILIZATION VALUE AT 3.5%		17,684,202	3.5	5.613351	992,676.35
Less Producer-Settlement Fund Reserve		17,684,202		.043351	7,666.28
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		17,684,202	3.5	\$5.57	\$ 985,010.07

NOVEMBER 1967 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.15	3.6	\$5.654	4.2	\$6.158	4.8	\$6.662	5.4	\$7.166
3.05	5.192	3.65	5.696	4.25	6.20	4.85	6.704	5.45	7.208
3.1	5.234	3.7	5.738	4.3	6.242	4.9	6.746	5.5	7.25
3.15	5.276	3.75	5.78	4.35	6.284	4.95	6.788	5.55	7.292
3.2	5.318	3.8	5.822	4.4	6.326	5.0	6.83	5.6	7.334
3.25	5.36	3.85	5.864	4.45	6.368	5.05	6.872	5.65	7.376
3.3	5.402	3.9	5.906	4.5	6.41	5.1	6.914	5.7	7.418
3.35	5.444	3.95	5.948	4.55	6.452	5.15	6.956	5.75	7.46
3.4	5.486	4.0	5.99	4.6	6.494	5.2	6.998	5.8	7.502
3.45	5.528	4.05	6.032	4.65	6.536	5.25	7.04	5.85	7.544
3.5	5.57	4.1	6.074	4.7	6.578	5.3	7.082	5.9	7.586
3.55	5.612	4.15	6.116	4.75	6.62	5.35	7.124	5.95	7.628

MILK SAMPLES TESTED - Producer Fresh Samples 4,467 - Handler Finished Products 165.

NOVEMBER 1967 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	69.7	504,373	\$0.87	\$438,804.51
Class II	30.3	218,753	0.76	166,252.28
Total	100.0	723,126		\$605,056.79

Total Butterfat Value ÷ Total Producer fat pounds = \$0.836724

Producer Butterfat Differential per point variation above or
 below 3.5 percent - - - - - \$0.084

This producer butterfat differential is used to adjust the announced producer uniform price at 3.5% to the various tests as shown in the above table.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Nov. '66	\$5.68	-	-	8.6¢	\$6.09	8.9¢	\$3.95	7.8¢
Dec.	5.65	-	-	8.4	6.07	8.8	3.90	7.6
Jan. '67	5.62	-	-	8.2	6.09	8.6	3.90	7.6
Feb.	5.50	-	-	8.2	6.05	8.6	3.37	7.6
Mar.	5.36 ^{2/}	\$5.54	\$3.33	8.2	5.92	8.6	3.37	7.6
Apr.	5.19 ^{2/}	5.45	3.31	8.2	5.94	8.6	3.35	7.6
May	5.33 ^{2/}	5.54	3.32	8.2	6.00	8.6	3.36	7.6
June	5.47 ^{2/}	5.68	3.33	8.2	6.16	8.6	3.37	7.6
July	5.56 ^{2/}	5.76	3.33	8.2	6.24	8.6	3.37	7.6
Aug.	5.67	-	-	8.4	6.24	8.6	3.97	7.7
Sept.	5.71	-	-	8.4	6.16	8.7	3.97	7.7
Oct.	5.63	-	-	8.4	5.98	8.7	3.98	7.7
Nov.	5.57	-	-	8.4	5.98	8.7	4.00	7.6
Dec.	-	-	-	-	6.14	8.6	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi.92° Butter	Minn/Wisc. Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	\$-cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Nov. '66	67.70	4.15	4.26 ^{4/}	474,427	3.56	90,840	7.53
Dec.	66.49	4.14	4.26 ^{4/}	476,665	3.59	98,955	7.27
Jan. '67	66.47	4.08	4.26 ^{4/}	468,006	3.54	113,708	6.97
Feb.	66.47	4.02	4.15 ^{4/}	451,595	3.50	107,190	6.89
Mar.	66.46	4.01	4.15 ^{4/}	477,073	3.49	125,680	6.04
Apr.	66.45	3.98	4.05 ^{4/}	463,179	3.50	180,580	4.97
May	66.47	3.96	4.05 ^{4/}	458,593	3.51	152,870	5.28
June	66.47	3.96	4.05 ^{4/}	444,378	3.46	140,548	5.30
July	66.47	3.95	4.05 ^{4/}	427,640	3.50	128,838	5.27
Aug.	67.07	3.97	4.05 ^{4/}	427,213	3.49	135,298	5.13
Sept.	67.13	3.97	4.05 ^{4/}	482,438	3.47	113,367	5.97
Oct.	66.59	3.98	4.05 ^{4/}	493,777	3.58	96,943	6.71
Nov.	66.48	4.00	4.05 ^{4/}	470,450	3.57	109,481	6.66

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Nov. '66	9	621,225	507,725	571	565,267	-	4.20	990	-	-
Dec.	10	642,424	511,500	572	575,620	-	4.22	1,006	-	-
Jan. '67	9	645,961	508,383	568	581,714	-	4.21	1,024	-	-
Feb.	9	623,312	489,998	550	558,785	-	4.15	1,016	-	-
Mar.	9	680,040	518,872	562	602,753	554,123	4.02	1,073	986	87
Apr.	9	721,150	500,924	555	643,759	566,415	3.91	1,160	1,021	139
May	9	686,775	497,821	552	611,463	553,010	3.96	1,108	1,002	106
June	8	674,624	483,482	552	584,926	533,490	3.90	1,060	967	93
July	8	625,871	467,337	549	556,478	510,262	3.91	1,014	930	84
Aug.	8	627,993	469,524	548	562,511	-	3.88	1,026	-	-
Sept.	8	688,881	539,805	551	595,805	-	3.95	1,081	-	-
Oct.	9	717,502	575,169	550	590,720	-	4.09	1,074	-	-
Nov.	9	718,857	554,957	549	579,931	-	4.16	1,056	-	-

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Basic Formula "floor" per Order Amendments